

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 1st day of June, 2010, between EQR-MHL McCaslin Hidden Lakes, LLC., a Texas limited liability company, Lessor (whether one or more), whose address is 14901 Quorum Drive, Suite 740, Dallas, Texas 75240, and Dale Property Services, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in **Tarrant County, Texas**, to-wit:

17.816 acres of land, more or less, out of the J.M. Robinson Survey, Abstract 1346, Tarrant County, Texas, and being parts of Block 1, Fossil Ridge Phase III, an Addition to the City of Haltom City, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated September 26, 1995 between Mahr/Hidden Lakes, Ltd., a Texas limited partnership, as Grantor, and McCaslin Hidden Lakes, Ltd., a Texas limited partnership, as Grantee, recorded in Volume 12124, Page 917 of the Deed Records of Tarrant County, Texas.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at Lessor's address given above or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 320 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

7. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

8. Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$2,000.00 multiplied by the net mineral acres subject to this lease as to which Lessee desires to extend this lease. Said payment or tender shall be made on or before the expiration date of the initial primary term and shall be considered to include the prepaid delay rental. If Lessee extends this lease as herein provided, it shall be considered that the primary term is five (5) years.

11. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

SEE EXHIBIT "A" ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF

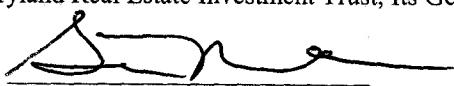
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

**EQR-MHL McCaslin Hidden Lakes, LLC**  
a Texas Limited Liability Company

By: **ERP-Southeast Properties, L.L.C.**  
a Georgia Limited Liability Company, Its General Partner

By: **ERP Operating Limited Partnership,**  
an Illinois Limited Partnership, Its Managing Member

By: **Equity Residential,**  
a Maryland Real Estate Investment Trust, Its General Partner

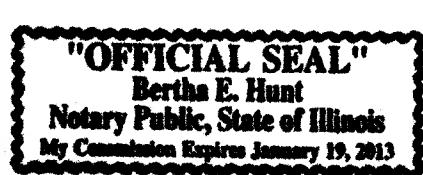
By:   
Stephen Merchant, Its 1<sup>st</sup> Vice President

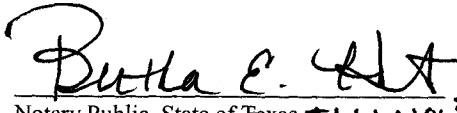
## ACKNOWLEDGMENTS

**STATE OF ILLINOIS** §  
**COUNTY OF COOK** §

This instrument was acknowledged before me on the 16 day of June, 2010

by Stephen Merchant as 1<sup>st</sup> Vice President of EQR-MHL McCaslin Hidden Lakes, LLC, a Texas limited liability company on behalf of said partnership.



  
Notary Public, State of Texas ILLINOIS  
Notary's name (printed): BERTHA E. HUNT  
Notary's commission expires: 1.19.2013

**EXHIBIT "A"**

**Attached to Oil, Gas and Mineral Lease (the "Lease") between EQR-MHL McCaslin  
Hidden Lakes, LLC., a Texas limited liability company, as Lessor  
and Dale Property Services, L.L.C., as Lessee, dated June 1, 2010.**

12. In the event of a conflict between the terms of this addendum and the terms of the printed form Lease, the terms of this addendum shall control and prevail.

13. All reference to a twenty-two and one-half (22.5%) percent royalty in the Lease are hereby changed to read twenty-five (25%) percent.

14. It is agreed and understood that Lessee shall not conduct any surface operations whatsoever on the leased premises, nor shall this lease convey to Lessee any rights to ingress and egress upon the surface of the leased premises.

15. Upon written request, Lessee shall provide Lessor with a recorded copy of all recorded pooling designations covering any portions of the leased premises.

16. Lessee's right to maintain this lease after the expiration of the primary term pursuant to the shut-in gas royalty provisions of Paragraph 3 shall not be continued for any shut-in periods in excess of two (2) years cumulative during any ten (10) year period. The ten (10) year period referred to in this paragraph shall be consecutive, beginning with the first such period which commences on the first day that this lease is maintained by virtue of the shut-in well provision of this lease and later ten (10) year periods shall commence at the end of each prior ten (10) year period.

17. If initial production is established on lands pooled with the leased premises, payment of royalty to Lessor shall be made within 120 days. All payments of royalty thereafter shall be paid 60 days after the end of the production month for oil, and 90 days after the end of the production month for gas. Payments of royalties to Lessor shall be made monthly and shall be based on sales of leased substances to unrelated third parties at prices arrived at through arms length negotiations. Royalties to Lessor or leased substances not sold in an arms length transaction shall be determined based on prevailing values at the time in the area. Lessee shall have the obligation to disclose to Lessor (upon written request by Lessor) any information pertinent to this determination.

18. Hold Harmless: Lessee shall indemnify and hold Lessor harmless from and against any and all claims, actions, liability, loss, damage or expense of every kind and nature, including, but not limited to reasonable attorney's fees and costs, for damage to property including environmental damage to surface properties and underground water of any person, firm or corporation or for injury to or death of any person, including, but not limited to, the employees of Lessee, its successors, assigns, contractors or subcontractors, which may, in whole or in part, be caused by or arise out of operations conducted hereunder or the enjoyment of this lease or the exercise of any right granted hereunder or any obligation imposed hereby.

19. Insurance requirements: Prior to the commencement of any operations by Lessee on lands pooled with the leased premises, and annually thereafter, Lessee shall cause Lessee's insurance provider to furnish a certificate of insurance to Lessor stating that there is in force Commercial General Liability insurance on a form at least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 0196, or another ISO Commercial General Liability "occurrence" form providing equivalent coverage, providing Broad Form Comprehensive General Liability coverage, blanket contractual liability coverage, coverage for bodily injury (including death), property damage (including loss of use thereof), products and completed operations with Combined single limits for bodily injury and property damage of not less than \$1,000,000 per occurrence and \$5,000,000.00 umbrella liability to cover potential liabilities arising out of the operations provided for in this lease. These provisions shall be binding between the parties hereto for a period of two years after the cessation of operations by Lessee on the lands pooled with the leased premises.

20. Lessee agrees that if any of the acreage covered under this lease is pooled or unitized into an oil and/or gas production or proration unit, then all of said lease acreage shall be included in said production or proration unit.

21. Protection of Watershed. Lessee agrees not to allow any waste oil or saltwater to flow on the surface of the leased premises or allow same to drain down any draws, drains, creeks or ravines on the leased premises. Lessee agrees to construct saltwater and waste disposal facilities and shall be required to adhere to the rules and regulations of the Railroad Commission

of Texas, and dispose of all waste oil, saltwater, and other contaminating substances in compliance with such rules and regulations.

22. Shut in Gas Payments. Shut-in payments shall be Fifty Dollars (\$50.00) per net mineral acre.

23. Depth Severance. At the end of the primary term of this Lease, or any extension thereof, this Lease shall terminate as to all depths lying one hundred feet (100') below the deepest formation from which any well commenced in the primary term, or any extension thereof, is drilled and completed as a well capable of commercial production in paying quantities on any lands pooled with all or part of the lands described herein.

24. If Lessee assigns any interest hereunder, it shall remain liable to Lessor for all of its duties and obligations under this lease.

25. This lease does not include, and there is hereby excepted and reserved to Lessor, all surface substances and all of the sulphur, calcium, lignite, uranium and other fissionable materials, caves, geothermal energy (including entrained methane, hydrostatic pressure and thermal energy), base and precious metals and any other mineral substances (excepting oil, liquid hydrocarbons, gas and their respective constituent products expressly covered under this lease) presently owned by Lessor in, under or upon the leased premises, together with the rights of ingress and egress and use of the leased premises by Lessor and its mineral Lessees, for the purposes of exploration and production of the minerals reserved herein to Lessor.

26. Jurisdiction and venue for any legal dispute between Lessor and Lessee related in any way to this lease shall be in the court(s) of competent jurisdiction located in Tarrant County, Texas.

27. Lessee shall have the right at any time during or after the expiration of this lease to draw and remove all casing provided however, lessee shall not be allowed to access the surface of the leased premises to draw and remove such casing.

28. If it is determined that Lessor is the owner of any mineral interest under any streets, alleys, highways, railroads, canals, or rivers adjacent to the lease premises, then such acreage shall be included, by amendment if necessary, as part of the leased acreage hereunder and Lessor will be paid bonus and royalty as if any such interest had been originally described in this lease.

29. Lessee's right to maintain this lease by virtue of the Force Majeure provision of Paragraph 9 of the Lease shall extend to periods of no more than 12 months per single period or 24 months in the aggregate.

30. No Warranties. Lessor makes no warranty of any kind, either express or implied, with respect to title to the Land or the minerals subject to this Lease. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the Land and the minerals subject to this Lease, and Lessee assumes all risk of title failures, and in connection therewith Lessee shall have no recourse against Lessor, including no right to a refund of the bonus and royalties paid for or under this Lease.

Signed for Identification:

**EQR-MHL McCaslin Hidden Lakes, LLC,**  
a Texas Limited Partnership

By: **ERP-Southeast Properties, L.L.C.**  
a Georgia Limited Liability Company, Its General Partner

By: **ERP Operating Limited Partnership,**  
an Illinois Limited Partnership, Its Managing Member

By: **Equity Residential,**  
a Maryland Real Estate Investment Trust, Its General Partner

By: \_\_\_\_\_  
Name: Stephen Merchant  
Its: 1<sup>st</sup> Vice President

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES  
ATTN: ANN VANDENBERG  
2100 ROSS AVE STE 1870 LB-9  
DALLAS, TX 75201

Submitter: DALE RESOURCES LLC

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 7/6/2010 8:22 AM

Instrument #: D210161072

LSE	5	PGS	\$28.00
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By: Suzanne Henderson

D210161072

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY  
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: CAMADDOCK